

**IN THE CIRCUIT COURT OF RANKIN COUNTY, MISSISSIPPI**

DATE: NOVEMBER 5, 2013

TRUSTMARK PARK HOTEL, LLC.

PLAINTIFF

VS

CAUSE NO. 2013-261

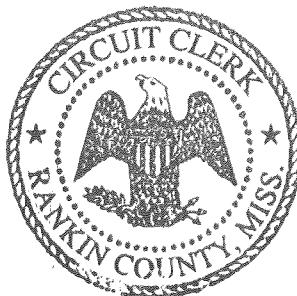
CERTAIN UNDERWRITERS AT LLOYD'S  
LONDON SUBSCRIBING TO CERTIFICATE  
NUMBER NJL440013912;  
YORK RISK SERVICES GROUP, INC.; AND  
JOHN DOES 1-10

DEFENDANT

**CLERK'S CERTIFICATE**

I, REBECCA N. BOYD, CIRCUIT CLERK, OF RANKIN COUNTY,  
MISSISSIPPI, DO HEREBY CERTIFY THAT THE FOREGOING PAGES CONTAIN  
A TRUE AND CORRECT COPY OF THE RECORDS IN MY OFFICE IN  
CONNECTION WITH THE ABOVE STYLED AND NUMBERED CAUSE.

WITNESS MY HAND AND SEAL OF OFFICE, THIS THE 5TH DAY OF  
NOVEMBER, 2013.



**REBECCA N. BOYD,  
CIRCUIT CLERK**

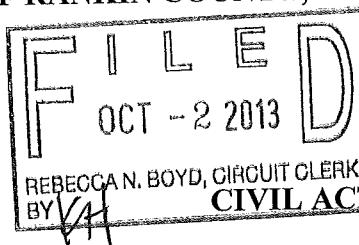
BY: Rebecca Boyd D.C.  
DEPUTY CLERK

IN THE CIRCUIT COURT OF RANKIN COUNTY, MISSISSIPPI

TRUSTMARK PARK HOTEL, LLC

VERSUS

CERTAIN UNDERWRITERS AT  
LLOYD'S LONDON SUBSCRIBING TO  
CERTIFICATE NUMBER NJL440013912;  
YORK RISK SERVICES GROUP, INC.;  
AND JOHN DOES 1-10



PLAINTIFF

DEFENDANTS

COMPLAINT

COMES NOW, Plaintiff, Trustmark Park Hotel, LLC ("TPH"), and files this Complaint to recover compensatory and punitive damages based upon the Defendants' breach of contract and bad faith in relation to a loss suffered on a policy of insurance. In support of its claims, TPH would show as follows:

PARTIES

1. Plaintiff, Trustmark Park Hotel, LLC, is a limited liability company formed under the laws of the State of Mississippi and having its principal place of business at 110 Bass Pro Drive, Pearl, MS 39208.
2. Defendant, Certain Underwriters at Lloyd's London Subscribing to Certificate Number NJL440013912 ("Lloyd's"), is a syndicate of foreign incorporated and unincorporated persons or entities providing insurance to Plaintiff through a policy of insurance numbered NJL440013912. Under the terms of the policy of insurance, Lloyd's may be served with process through Thomas Wilson of Wilson, Elser, Moskowitz, Edelman & Dicker LLP, New York, New York 110017-5639.

3. Defendant York Risk Services Group, Inc. ("York") is a foreign corporation formed under the laws of the State of New York and having its principal office at 99 Cherry Hill Road, Suite 102, Parsippany, NJ 07054. York can be served with process through its registered agent, Corporation Service Company, 506 S. President St., Jackson, MS 39201.

4. Defendants John Does 1-10 are persons or business entities of whom Plaintiff is ignorant of their identities. John Does 1-10 are business entities or individuals who were involved in the adjusting or handling of THC's claim and who were negligent or complicit in the fault or bad faith of the named defendants.

#### BACKGROUND

5. On March 18, 2013, a class four hailstorm struck the Jackson Metropolitan Area causing substantial damage in Warren, Hinds, Madison, and Rankin Counties, among others. Mississippi's Commissioner of Insurance, Mike Chaney, estimated that tens of thousands of insurance claims would ultimately result from the storm related to hundreds of millions of dollars of damage to homes, cars, and businesses. The storm dented cars, broke windows, and damaged buildings. Meteorologists with the National Weather Service estimated that it had been approximately twenty years since a hail storm like this had occurred in this area. In its Event Summary, it noted that golf ball (1.6" diameter) to baseball (2.9" diameter) sized hail stones had fallen throughout the Jackson Metropolitan Area.

6. TPH is the owner and operator of the Holiday Inn (the "Hotel") located at 110 Bass Pro Drive, Pearl, MS 39208, near the Bass Pro Shop and Trustmark Park, the home of the Mississippi Braves, the Atlanta Braves' AA affiliate. TPH is the insured under Policy Number NJL440013912, subscribed to by Certain Underwriters at Lloyd's, London, sold to TPH by

Agency RF Hull and Associates, Inc. through broker IPOA, which specializes, among other things, in insurance for hotel properties. *See* Evidence of Property Insurance, attached hereto and marked as Exhibit A; Policy of Insurance, attached hereto and marked as Exhibit B.

7. The Hotel, situated in Pearl near downtown Jackson, and the center of the hailstorm passed over or very near to the Hotel, which suffered significant damage to its Exterior Insulation and Finish System (“EFIS”), Heating, Ventilation, and Air Cooling (“HVAC”) System, and roof.

8. On March 19, 2013, TPH reported the damage from the hail storm to Lewis Carnes from RF Hull and Associates, Inc. Carnes was listed as the authorized representative of Lloyd’s on the Evidence of Property Insurance provided to TPH. Carnes informed TPH that he would submit the claim to the proper persons. On March 20, 2013, Carnes told TPH that an adjuster would review the damage and calculate an estimate using estimating software. Lloyd’s assigned the claim to York to be adjusted. Within a week to ten days of the hail storm, Gary Mauney, an independent adjuster hired by York, had visited the Hotel and inspected the damage.

9. On April 26, 2013, TPH inquired with Carnes regarding the status of the claim and was informed by Carnes that TPH should receive the Mauney’s estimate of the damage by the following Monday.

10. On April 30, 2013, TPH again inquired with Carnes regarding the status of the claim. Carnes informed TPH on May 1, 2013, that Mauney was working with a contractor and should have an estimate by the first of the week. Carnes further noted that if the EFIS could not be matched, all four sides would have to be replaced.

11. As of June 6, 2013, TPH had not received the estimate, or anything else, from the adjuster or any of the other Defendants related to its claim. On that date, although TPH had received nothing from the Defendants regarding the scope of damages, Carnes requested that TPH provide to the Defendants an estimate of the cost of repairs. TPH obtained an estimate from its own contractor and forwarded it to Carnes on July 1, 2013. According to the estimate, the repairs to the HVAC, EFIS, and roof would cost in excess of \$900,000.00. *See* Contractor's Estimate, attached as Exhibit C.

12. On July 17, 2013, Carnes informed TPH that York would be sending a registered professional engineer to view the property. On July 18, 2013, a different adjuster – who TPH would later learn worked for Loss Management Solutions – visited the Hotel and viewed the damage.

13. As of July 29, 2013, TPH had not received any information about the estimates being performed by Loss Management Solutions. Carnes informed TPH that the results of work performed by groups like Loss Management Solutions usually took one to two weeks to be completed.

14. On July 31, 2013, Carnes informed TPH that he'd been told by Marcy Mayfield of York that it had not yet received the report from Loss Management Solutions but expected it soon.

15. On August 7, 2013, TPH expressed its concerns to Carnes that the individual who viewed the property on behalf of Loss Management Solutions may not have been a professional engineer as represented, had not spent any meaningful time inspecting the building, and had taken no steps to use a lift or other equipment to look at the building from a higher vantage point where

the damage could best be seen. In his response that same day, Carnes also expressed impatience with York's handling of the claim.

16. On August 8, 2013, TPH was told by Carnes that York had received the Loss Management Solutions report and was simply awaiting permission from Lloyd's to release it to TPH. It was explained to TPH that the delay was simply due to the time difference between Pearl, Mississippi, and London, England, and that permission to release the report could be obtained in the morning. TPH inquired again with Carnes on August 12, August 14, August 19, and August 29, each time receiving a response from York that it was just awaiting word from London (Lloyd's), to release the report to TPH.

17. In the August 19 communication, TPH informed Carnes that due to the damage, its HVAC units could not function properly and that holes in the EFIS were causing additional damage. TPH received no response from the Defendants. Within two weeks of this communication, the HVAC units failed, and TPH had to have them repaired. As a result, portions of the Hotel lacked air conditioning for a period of time during August, impacting TPH's customers during the hottest time of the year.

18. On August 29, 2013, Carnes forwarded to TPH a copy of email correspondence from Mayfield stating that "our revised estimate for damages" has been presented to Lloyd's and that York had requested authority to share the report of Loss Management Services with TPH, but had not yet been granted such authority.

19. On September 3, 2013, York sent TPH a certified letter stating that it had in its possession a "revised" estimate of damages that it had received from Loss Management

Solutions as well as comparative bids to perform the work. York noted that it had reported this information to Lloyd's and was awaiting its determination and instructions on the claim.

20. On September 5, 2013, Carnes informed TPH that it had been Marcy Mayfield of York who had asked for TPH to obtain an estimate of the cost of repairs. According to Carnes, Mayfield hired Loss Management Solutions to re-adjust the loss only after reviewing TPH's estimate of the cost of repairs.

21. Also on September 5, 2013, TPH was forwarded an email from Mayfield noting that she had not yet received permission from Lloyds to provide TPH the results of her investigation of the claim.

22. On September 12, 2013, TPH was informed by Carnes that York had been fired as the adjuster and that a new adjuster would be reviewing the claim.

23. On September 16, 2013, apparently because there was no adjuster who could be contacted regarding the status of the claim, Carnes provided TPH with the contact information for Ricardo Leon of IPOA, the broker having the relationship with Lloyd's and the responsibility for this policy and claim.

24. On September 18, 2013, Carnes forwarded TPH correspondence from Leon suggesting that York had requested approval from Lloyd's to pay TPH only approximately 3% of its estimated damages. However, TPH was still not provided the actual estimates, the Loss Management Solutions report, or any other documentation related to its claim. In response, Carnes asked Leon for a copy of report on the scope of damages, and suggested that Loss Management Solutions had not done a thorough job reviewing the damages. Leon responded on that same date that he could not provide TPH a copy of the report because it was currently being

reviewed by Lloyd's, but suggested that TPH would receive some sort of response the following week. As of the filing date, TPH has not received anything regarding its claim from the Defendants.

25. TPH timely submitted its claim to the Defendants, but received no substantive response or offer to pay the claim for months afterwards, despite repeated acknowledgments from the Defendants and/or their agent that the claim had been fully investigated. As of the filing date, over six months have passed since TPH provided the Defendants notice of its claim, and it has received nothing in response to its repeated requests for information.

**COUNT ONE – BREACH OF INSURANCE CONTRACT**

26. TPH re-alleges and incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

27. At all relevant times herein, York and IPOA were acting as the agents of Lloyd's.

28. TPH has promptly paid all premiums related to the Policy of Insurance.

29. TPH promptly provided the Defendants notice of its claim and all materials requested by the Defendants related to the claim.

30. TPH suffered a loss covered under the terms of the Policy of Insurance. The Defendants breached the terms of the Policy of Insurance by failing to investigate the claim with reasonable promptness, failing to make a realistic evaluation of TPH's claim, and failing to promptly pay covered claims.

**COUNT TWO – BAD FAITH**

31. TPH re-alleges and incorporates by reference the allegations of the preceding paragraphs as if fully set forth herein.

32. The Defendants' failures set forth above and pay TPH's claim rises to the level of an independent tort.

33. The Defendants' continued refusal to pay the claim or even to provide TPH the results of their investigation demonstrates a complete disregard for the rights of TPH, essentially depriving it of the benefits of the Policy of Insurance. The Defendants' investigation of the claim was completed shortly after the date of loss, but the Defendants refused over a period of months to provide TPH with the results of the investigation.

34. Having determined the scope of the loss, and upon review of the estimate of the cost of repairs obtained by TPH, the Defendants decided not to promptly pay the claim, but instead to send another adjuster to the property to obtain a scope of work more favorable to the Defendants.

35. By refusing to promptly provide TPH with the results of their investigation, introducing further unreasonable delays, and re-adjusting the claim rather than promptly paying the claim, the Defendants have committed bad faith.

WHEREFORE, PREMISES CONSIDERED, Plaintiff, Trustmark Park Hotel, LLC, respectfully requests the following relief:

- (a) compensatory damages sufficient to provide TPH the benefits of the Policy of Insurance and compensate TPH for additional damages incurred due to the unreasonable delays of the Defendants in the adjusting and handling of the claim;
- (b) pre- and post-judgment interest;
- (c) attorney's fees and costs;
- (d) punitive damages; and
- (e) for all other relief proper under the premises.

Respectfully submitted, this 2<sup>nd</sup> day of October, 2013.

TRUSTMARK PARK HOTEL, LLC

BY: Balch & Bingham LLP

BY:   
*Donald Alan Windham, Jr.*  
*Of Counsel*

Donald Alan Windham, Jr. (100909)

Benjamin Bryant (103623)

Balch & Bingham LLP

188 East Capitol Street

Suite 1400

Jackson, MS 39201

Telephone: (601) 961-9900

Facsimile: (601) 961-4466



# EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)

2/13/2013

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERNS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY	PHONE (A/C, No. Ext): (205) 366-8487	COMPANY		
RF Hull and Associates, Inc 520 19th Avenue P.O. Box 20085 Tuscaloosa	AL 35402	Loyds of London 300 Wilson Road Bldg 300 Griffin GA 30224		
FAX (A/C, No.): (205) 752-5960	E-MAIL ADDRESS: lewis@hull-assoc.com			
CODE:	SUB CODE:			
AGENCY CUSTOMER ID #: 00005119				
INSURED		LOAN NUMBER	POLICY NUMBER	
Trustmark Park Hotel LLC dba Holiday Inn 110 Bass Pro Drive Pearl MS 39208		12/1/2012	12/1/2013	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED:				

## PROPERTY INFORMATION

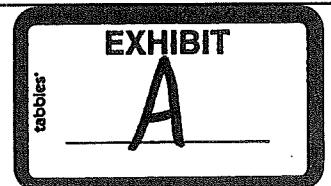
LOCATION/DESCRIPTION  
Loc# 00001  
110 Bass Pro Drive  
Holiday Inn/Trustmark Park Hotel LLC  
Pearl, MS 39208

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

## COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Building, Replacement Cost, Special (Including theft) - Detail	10,000,000	10,000
Business Personal Property, Replacement Cost, Special (Including	2,500,000	10,000

## REMARKS (Including Special Conditions)



## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

## ADDITIONAL INTEREST

Hancock Bank Attn: Insurance Tracking PO Box 690190 San Antonio, TX 78269-0190	MORTGAGEE	ADDITIONAL INSURED
	<input type="checkbox"/>	X Mortgagee & Loss Payee
	LOSS PAYEE	
LOAN #		
AUTHORIZED REPRESENTATIVE		
Lewis Carnes/SHELLY		

# Combined Certificate

**This Insurance** is effected with certain Underwriters at Lloyd's, London and Certain Insurance Companies.

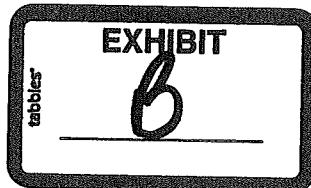
**This Certificate** is issued in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London and Certain Insurance Companies whose syndicate numbers or company name (as applicable), proportions and references are as detailed under Security (such Underwriters and Insurance Companies being hereinafter called "Insurers") and in consideration of the premium specified herein, the said Insurers hereby bind themselves severally and not jointly, each for his own part, and not one for another, their Executors and Administrators.

**The Insured** is requested to read this Certificate, and if it is not correct, return it immediately to the Correspondent for appropriate alteration.

All inquiries regarding this Certificate should be addressed to the following Correspondent:-

Besso Limited  
8-11 Crescent  
London EC3N 2LY

SLC-3 (USA) NMA2868 (24/08/00) amended.



595

BES

Certificate Number: NJL440013912

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## CERTIFICATE PROVISIONS

1. **Signature Required.** This Certificate shall not be valid unless signed by the Correspondent on the attached Risk Details Page.
2. **Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those Underwriters at Lloyd's, London and Ironshore Insurance Ltd whose details are as set forth herein.
3. **Assignment.** This Certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
4. **Attached Conditions Incorporated.** This Certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.
5. **Correspondent as Agent status.** The Correspondent shall act as agent for the Insurers and not the Insured in respect of claims referred by the Insured to the Correspondent.
6. **Overrider:** wherever the words:- (i) "Declarations" appears herein it shall be deemed to read "Risk Details", (ii) "Assured" appears herein it shall be deemed to read "Insured", (iii) "We", "Us" and "Our" shall be deemed to refer to the Insurers providing this insurance and (iv) "Policy" appears herein it shall be deemed to read "Certificate".

**595**

**BES**

**Certificate Number: NJL440013912**

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### **Complaints Procedures**

Besso Limited is dedicated to providing you with a high quality service and all efforts are made to ensure that we maintain this at all times. However, if you feel that we have not provided you with a first class service, please inform us immediately and we will do our very best to resolve the problem in a professional and timely manner. Our Contact details are as follows:-

Besso Limited  
8-11 Crescent  
London  
EC3N 2LY

Telephone: + 44 (0) 020 7480 1000  
E-Mail: [alan.fuller@besso.co.uk](mailto:alan.fuller@besso.co.uk) (Director of Besso Limited Compliance Department)

In the event that you still remain dissatisfied and wish to make a complaint, you can refer the grievance to:-

As respects Lloyd's:-  
Policyholder & Market Assistance  
Lloyd's Market Services  
G6/86  
One Lime Street,  
London,  
EC3M 7HA.

Telephone: + 44 (0) 020 7327 5693  
Facsimile: + 44 (0) 020 7327 5225  
E-mail: [complaints@lloyds.com](mailto:complaints@lloyds.com)

OR

As respects Ironshore Insurance Ltd  
Ironshore Insurance Ltd;  
141 Front Street  
Hamilton HM 19  
Bermuda

Telephone: 1 + 441-279-8200

Who should, in most circumstances, be able to review the matter.

Both Besso Limited and Lloyd's are authorised and regulated by the Financial Services Authority based at the following address:-

Financial Services Authority  
25, The North Colonnade  
Canary Wharf  
London  
E14 5HS

Telephone: + 44 (0) 0207 066 1000

595

BES

Certificate Number: NJL440013912

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**WORDINGS, CLAUSES,  
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APPLICABLE TO THE CERTIFICATE**

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RISK DETAILS

**UNIQUE MARKET**

**REFERENCE:** B0595NAJL04400012 / B0595NAJL04411012 / B0595NAJL04412012

**ATTACHING TO  
DELEGATED  
UNDERWRITING**

**CONTRACT NUMBER:** NAJL04400012 / NAJL04411012 / NAJL04412012

**TYPE:** Risks of direct physical loss or damage Insurance excluding Flood and Earthquake.

**NAMED**

**INSURED:**

CDA Hospitality, LLC; T.P. Development, LLC; C/G Management LLC and Tupelo Hotel Group, LLC

**ADDITIONAL  
INSUREDS:**

Hospitality Opportunities, LLC Meridian CIS, LLC doing business as Country Inn & Suites, Reservoir Investment Group, LLC doing business as Microtel Inn, Trust Mark Park Hotel, doing business as Holiday inn, Tupelo Hotel Investors, L.P. doing business as Sleep Inn, West Point HIS, LLC, West Point Hotel Group, LLC doing business as Hampton Inn & Suite, Winfield Hotel Group, LLC doing business as Hampton Inn

**ADDRESS:**

PO Box 320875  
Flowood  
Mississippi  
USA

**PERIOD:**

From: 1<sup>st</sup> December 2012

To: 1<sup>st</sup> December 2013

both days at 12.01 a.m. Local Standard Time at the property of the Insured.

**COVERED  
PROPERTY/  
INTEREST:**

Buildings, Business Personal Property, Business Income and Extra Expense.

**LIMIT OF  
INSURANCE:**

USD 43,844,000 any one Occurrence.

Following Sub-limits are any one Occurrence unless stated:-

USD 6,350,000 Business Income

USD 50,000 Buildings Ordinance or Law in respect of coverages B and C combined.

USD 10,000 Utility Services Property Damage / Time Element Combined.

USD 25,000 Outside Signs.

USD 25,000 USD 1,000 per tree, shrub and plant Outdoor Trees, Shrubs and Plant.

USD 25,000 Food Spoilage.

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USD 5,000	Cimicidae Infestation.
USD 25,000	Forgery or Alterations.
USD 5,000	Lock and Key Replacement.
USD 10,000	Money and Securities.
USD 10,000	Employee Dishonesty.
USD 5,000	Fire Department Charges.
USD 10,000	Personal Effects and Property of Others.
USD 10,000	Outdoor Property.
USD 25,000	Back Up of Sewers and Drains

**DEDUCTIBLES:** USD 5,000 each Occurrence.**PREMISES:** As per schedule attached

**CONDITIONS:** Wordings: ISO Forms –  
 Overrider Endorsement  
 Buildings and Personal Property Coverage Form CP 00 10 10 00  
 Section F. Additional Conditions 1: Co-insurance 80%  
 Section G. Optional Coverages 3: Replacement Cost Value including Stock.  
 Business Income (and Extra Expense) Coverage Form CP 00 30 10 00  
 Option: (ii) Business Income other than "Rental Value".  
 Section E Additional Condition: Co-insurance 80%  
 Causes of Loss Special Form CP 10 30 10 00  
 Buildings Ordinance or Law Form CP 04 05 04 02  
 Exclusion of Loss due to Virus or Bacteria CP 01 40 07 06  
 Utility Services – Direct Damage CP 04 17 06 95 USD 10,000  
 Utility Services – Time Element CP 15 45 06 95 USD 10,000  
 Outside Signs CP 14 40 10 00 Special.  
 Outdoor Trees, Shrubs and Plants CP 14 30 10 00 Special  
 Food Spoilage CP 04 40 08 02- Causes of Loss Breakdown or Contamination and Power Outage.  
 Cimicidae Infestation (Bed Bugs) Endorsement.  
 Coverages and Extension Schedule  
 Commercial Property Conditions CP 00 90 07 88  
 Section A. Concealment, Misrepresentation or Fraud.  
 Common Policy Conditions IL 00 17 11 98  
 Named Windstorm or Named Storm in Florida and Tiers 1 and 2 in all other States  
 Exclusion.  
 Named Windstorm or Named Storm Definition.  
 Radioactive Contamination Exclusion Clause physical damage - Direct – NMA 1191  
 War & Civil War Exclusion Clause – NMA 464  
 Terrorism Exclusion Endorsement - NMA 2920  
 U.S. Terrorism Risk Insurance Act of 2002 as amended Not Purchased Clause – LMA 5092  
 Biological or Chemical Materials Exclusion - NMA 2962

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Additional Limitations and Conditions Endorsement (Standard) - NMA 2415 - (amount to be shown under Section V.2. - Nil).

Electronic Data Endorsement B - NMA 2915

Microorganism Exclusion Absolute - LMA 5018 "

Asbestos Endorsement - LMA 5019

Electronic Date Recognition Exclusion (EDRE) - NMA 2802

30 days Cancellation Clause - NMA 1331

New Short Rate Cancellation Table Endorsement - NMA 45 amended.

Hurricane Minimum Earned Premium Endorsement, as attached.

CHOICE  
OF LAW  
AND

JURISDICTION: Applicable to Lloyd's Underwriters

This Insurance shall be governed by the law of Mississippi and the courts of the U.S.A. shall have jurisdiction in any dispute arising hereunder, subject to the provisions of the Service of Suit Clause as follows:-

Service of Suit Clause (USA) - LMA 5020 naming:-

Thomas Wilson of  
Wilson Elser, Moskowitz, Edelman & Dicker LLP,  
160 East 42<sup>nd</sup> Street  
New York, New York 10017-5639  
Phone: 212 490 3000  
Fax: 212 490 3038  
E-mail: [thomas.wilsonjr@wilsonelser.com](mailto:thomas.wilsonjr@wilsonelser.com)

Applicable to Ironshore Insurance Ltd

Arbitration and Choice of Law Clause - IRNS-0002 11/2007

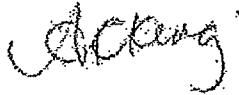
Certificate Number: NJL440013912

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PREMIUM: USD 67,497

PREMIUM  
PAYMENT  
TERMS:

30 days from the end of the month of Inception due to London Broker.

TAXES PAYABLE  
BY THE  
INSURED AND  
ADMINISTERED  
BY INSURERS: None.Dated 1<sup>st</sup> February 2013By \_\_\_\_\_ JP  
Correspondent Authorised Signatory  


Premium:	67,497.00
Policy fee:	5000.00
Filing fee:	150.00
Inspection fee:	1200.00
Taxes:	2953.88
Stamping fee:	184.62
Other:	2215.41
TOTAL:	79,200.91

This insurance policy is issued pursuant to insurance regulations of the State of New York. This is not an insurance company, but is authorized to do insurance business as a reinsurance company. The premium is paid by the reinsurance company, The North American Reinsurance Company.



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**INFORMATION**

Total Insurable Value:	USD 43,844,000
Building:	USD 30,450,000
Business Personal Property:	USD 6,824,000
Business Income	USD 6,350,000
Sign:	USD 220,000
Pool:	USD Nil
Other:	USD Nil

Loss History as advised to Besso Limited as follows:-

Year	Loss Amount	Details
No losses		

Certificate Number: NJL440013912

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**SECURITY DETAILS**

**SEVERAL LIABILITY CLAUSE**

**PLEASE NOTE – This notice contains important information. PLEASE READ CAREFULLY**

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

LMA5096 (Combined Certificate)  
7 March 2008

**ORDER  
HEREON:** 100% of 100%

**BASIS OF  
WRITTEN  
LINES:** Percentage of Whole.

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## INSURERS SIGNED LINES:

**ORDER HEREON 79.00%**  
**of the Limit of Insurance and Premium set forth herein.**

**Property All Risks Direct Physical Loss or Damage  
 Binding Authority Agreement NAJL04400012**

For risks attaching during the period 31<sup>st</sup> March 2012 to 31<sup>st</sup> March 2013

**Assured: CDA Hospitality, LLC; T.P. Development, LLC; C/G Management LLC and  
 Tupelo Hotel Group, LLC**

Market	Signed Line	Syndicate	Pseudonym	Reference
Lloyd's Underwriters	18.9874%	2003	SJC	NE7000337633
	18.9873%	1414	ASC	PB12FY268U1X
	18.9873%	0510	KLN	FAQA12GCMW
	18.9873%	4472	LIB	1213830112EQ
	9.4937%	1183	TAL	ACN142119A12
	9.4937%	1200	AMA	2619612AR000
	5.0633%	4444	CNP	B24965AAA
<b>Total</b>	<b>100.0000%</b>			

## In respect of TRIA

Market	Signed Line	Syndicate	Pseudonym	Reference
Lloyd's Underwriters	18.9874%	2003	SJC	NE7000337633
	18.9873%	1414	ASC	JP12FY269C1X
	18.9873%	0510	KLN	FAQA12GCMW
	18.9873%	4472	LIB	1213839912MY
	9.4937%	1183	TAL	ACN142119A12
	9.4937%	1200	AMA	2619612AR000
	5.0633%	4444	CNP	B24965AAA
<b>Total</b>	<b>100.0000%</b>			

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**INSURERS SIGNED LINES:**

**ORDER HEREON 10.50%**  
**of the Limit of Insurance and Premium set forth herein.**

**Property All Risks Direct Physical Loss or Damage  
 Binding Authority Agreement NAJL04411012**

For risks attaching during the period 31<sup>st</sup> March 2012 to 31<sup>st</sup> March 2013

**Assured: CDA Hospitality, LLC; T.P. Development, LLC; C/G Management LLC and  
 Tupelo Hotel Group, LLC**

Market	Signed Line	Syndicate	Pseudonym	Reference
Lloyd's Underwriters	66.6667% 33.3333%	2987 0382	BRT HDU	JR275A12A000 NF12DB2019AX
<b>Total</b>	<b>100.0000%</b>			

**In respect of TRIA**

Market	Signed Line	Syndicate	Pseudonym	Reference
Lloyd's Underwriters	66.6667% 33.3333%	2987 0382	BRT HDU	JR275A12T000 NF12DB2019AX
<b>Total</b>	<b>100.0000%</b>			

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**INSURERS SIGNED LINES:**

**ORDER HEREON 10.50%**  
**of the Limit of Insurance and Premium set forth herein**

**Property All Risks Direct Physical Loss or Damage  
Binding Authority Agreement NAJL04412012**

For risks attaching during the period 31<sup>st</sup> March 2012 to 31<sup>st</sup> March 2013

**Assured: CDA Hospitality, LLC; T.P. Development, LLC; C/G Management LLC and  
Tupelo Hotel Group, LLC**

Market	Signed Line	Reference
Ironshore Insurance Ltd	100.0000%	443161612A

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**WORDINGS, CLAUSES,  
EXCLUSIONS AND ENDORSEMENTS  
APPLICABLE TO THE CERTIFICATE**

Certificate Number: NJL440013912

COMMERCIAL PROPERTY  
CP 00 10 10 00

## BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. – Definitions.

### A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### 1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this Section A.1., and limited in A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;

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- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

c. **Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions;
- o. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.This paragraph does not apply to:
  - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
  - (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
  - (c) Rowboats or canoes out of water at the described premises; or
  - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers.

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p. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

**3. Covered Causes Of Loss**

See applicable Causes of Loss Form as shown in the Declarations.

**4. Additional Coverages**

**a. Debris Removal**

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
  - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

**(5) Examples**

The following examples assume that there is no coinsurance penalty.

**Example #1**

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 50,000
Amount of Loss Payable	\$ 49,500
	(\$50,000 - \$500)
Debris Removal Expense	\$ 10,000
Debris Removal Expense	\$ 10,000
Payable	\$ 10,000
	(\$10,000 is 20% of \$50,000)

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The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense ( $\$49,500 + \$10,000 = \$59,500$ ) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

**Example #2**

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
	( $\$80,000 - \$500$ )
Debris Removal Expense	\$ 30,000
Debris Removal Expense Payable	
Basic Amount	\$ 10,500
Additional Amount	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows:  $\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$ ; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense ( $\$79,500 + \$30,000 = \$109,500$ ) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

**b. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean Up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

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This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
  - (i) Until the property is actually repaired or replaced, at the same or another premises; and
  - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

**5. Coverage Extensions**

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

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If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

**a. Newly Acquired Or Constructed Property**

**(1) Buildings**

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

**(2) Your Business Personal Property**

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
  - (iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
  - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

**(3) Period Of Coverage**

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records – Cost Of Research**

You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Extension is \$2,500 at each described premises, unless a higher limit is shown in the Declarations.

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**d. Property Off-Premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

**f. Non-Owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes of Loss Form as shown in the Declarations.

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**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

**D. Deductible**

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

**Example No. 1:**

(This example assumes there is no coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Bldg. 1:	\$ 60,000
Limit of Insurance – Bldg. 2:	\$ 80,000
Loss to Bldg. 1:	\$ 60,100
Loss to Bldg. 2:	\$ 90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

\$ 60,100
– <u>250</u>
\$ 59,850 Loss Payable – Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: \$59,850 + 80,000 = \$139,850

**Example No. 2:**

(This example, too, assumes there is no coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1: \$ 70,000
(exceeds Limit of Insurance plus Deductible)
Loss to Bldg. 2: \$ 90,000
(exceeds Limit of Insurance plus Deductible)
Loss Payable – Bldg. 1: \$60,000
(Limit of Insurance)

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Loss Payable – Bldg. 2: \$80,000

(Limit of Insurance)

Total amount of loss payable:

\$140,000

**E. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**3. Duties In The Event Of Loss Or Damage**

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

**4. Loss Payment**

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
- (3) Take all or any part of the property at an agreed or appraised value; or

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(4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

**5. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

**6. Vacancy**

**a. Description Of Terms**

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
  - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
  - (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
    - (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
    - (ii) Used by the building owner to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

**b. Vacancy Provisions**

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (a) Vandalism;
  - (b) Sprinkler leakage, unless you have protected the system against freezing;
  - (c) Building glass breakage;
  - (d) Water damage;
  - (e) Theft; or
  - (f) Attempted theft.

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(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

**7. Valuation**

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d., e. and f. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety glazing material if required by law.
- e. Tenant's Improvements and Betterments at:
  - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of Improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (3) Nothing if others pay for repairs or replacement.
- f. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
  - (1) Blank materials for reproducing the records; and
  - (2) Labor to transcribe or copy the records when there is a duplicate.

**F. Additional Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Coinsurance**

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and

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(4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

**Example No. 1 (Underinsurance):**

When: The value of the property is \$ 250,000  
 The Coinsurance percentage for it is 80%  
 The Limit of Insurance for it is \$ 100,000  
 The Deductible is \$ 250  
 The amount of loss is \$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
 (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

**Example No. 2 (Adequate Insurance):**

When: The value of the property is \$ 250,000  
 The Coinsurance percentage for it is 80%  
 The Limit of Insurance for it is \$ 200,000  
 The Deductible is \$ 250  
 The amount of loss is \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

**Example No. 3:**

When: The value of property is:  
 Bldg. at Location No. 1 \$ 75,000  
 Bldg. at Location No. 2 \$ 100,000  
 Personal Property at Location No. 2 \$ 75,000  
 \$ 250,000

The Coinsurance percentage for it is 90%  
 The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is \$ 180,000  
 The Deductible is \$ 1,000  
 The amount of loss is:  
 Bldg. at Location No. 2 \$ 30,000

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Personal Property at	
Location No. 2.	\$ <u>20,000</u>
	\$ <u>50,000</u>

Step (1):  $\$250,000 \times 90\% = \$225,000$   
 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

## 2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
  - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
  - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

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- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

**2. Inflation Guard**

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

### Example:

If:	The applicable Limit of Insurance is	\$ 100,000
	The annual percentage increase is	8%
	The number of days since the beginning of the policy year (or last policy change) is	146
	The amount of increase is \$100,000 x .08 x 146	
	÷ 365 =	\$ 3,200

### 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;
  - (3) Manuscripts;
  - (4) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
  - (5) "Stock", unless the Including "Stock" option is shown in the Declarations.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and

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(2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

(3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Condition of this Coverage Form; and

(4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:

(1) The Limit of Insurance applicable to the lost or damaged property;

(2) The cost to replace the lost or damaged property with other property:

(a) Of comparable material and quality; and

(b) Used for the same purpose; or

(3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

**4. Extension Of Replacement Cost To Personal Property Of Others**

a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

**H. Definitions**

1. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
2. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

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COMMERCIAL PROPERTY  
CP 00 30 10 00

## BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section G. - Definitions.

### A. Coverage

Coverage is provided as described below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (I) Business Income including "Rental Value".
- (II) Business Income other than "Rental Value".
- (III) "Rental Value".

If option (I) above is selected, the term Business Income will include "Rental Value". If option (III) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (I) The portion of the building which you rent, lease or occupy; and
- (II) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

### 1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

### 2. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

### 3. Additional Coverages

#### a. Extra Expense

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

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- (1) We will pay any Extra Expense to avoid or minimize the "suspension" of business and to continue "operations":
  - (a) At the described premises; or
  - (b) At replacement premises or at temporary locations, including:
    - (i) Relocation expenses; and
    - (ii) Costs to equip and operate the replacement or temporary locations.
- (2) We will pay any Extra Expense to minimize the "suspension" of business if you cannot continue "operations".
- (3) We will pay any Extra Expense to:
  - (a) Repair or replace any property; or
  - (b) Research, replace or restore the lost information on damaged valuable papers and records; to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

**b. Civil Authority**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- (1) 3 consecutive weeks after the time of that action; or
- (2) When your Business Income coverage ends;  
whichever is later.

**c. Alterations And New Buildings**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

**d. Extended Business Income**

- (1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:

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- (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
- (ii) 30 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(2) "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**4. Coverage Extension**

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

**Newly Acquired Locations**

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
  - (1) This policy expires;
  - (2) 30 days expire after you acquire or begin to construct the property; or
  - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

**B. Exclusions And Limitations**

See applicable Causes of Loss Form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The limit applicable to the Coverage Extension is in addition to the Limit of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

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1. Alterations and New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

**D. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Appraisal**

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**2. Duties In The Event Of Loss**

- a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

**3. Limitation – Electronic Media And Records**

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or

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b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to Extra Expense.

**Example No. 1:**

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 – September 1. Loss during the period September 2 – October 1 is not covered.

**Example No. 2:**

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 – September 29 (60 consecutive days). Loss during the period September 30 – October 15 is not covered.

**4. Loss Determination**

a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
  - (a) Your financial records and accounting procedures;
  - (b) Bills, invoices and other vouchers; and
  - (c) Deeds, liens or contracts.

b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
  - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
  - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

**c. Resumption Of Operations**

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

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(2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

**5. Loss Payment**

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

**E. Additional Condition**

**Coinsurance**

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- a. The Coinsurance percentage shown for Business Income in the Declarations; times

- b. The sum of:

- (1) The Net Income (Net Profit or Loss before income taxes), and

- (2) Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

1. Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
2. Divide the Limit of Insurance for the described premises by the figure determined in Step 1.; and
3. Multiply the total amount of loss by the figure determined in Step 2.

We will pay the amount determined in Step 3. or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

1. Prepaid freight – outgoing;
2. Returns and allowances;
3. Discounts;
4. Bad debts;
5. Collection expenses;
6. Cost of raw stock and factory supplies consumed (including transportation charges);
7. Cost of merchandise sold (including transportation charges);
8. Cost of other supplies consumed (including transportation charges);
9. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
10. Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
11. All ordinary payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and

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12. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

**Example No. 1 (Underinsurance):**

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$ 400,000  
 The Coinsurance percentage is 50%  
 The Limit of Insurance is \$ 150,000  
 The amount of loss is \$ 80,000  
 Step 1: \$400,000 x 50% = \$200,000  
 (the minimum amount of insurance to meet your Coinsurance requirements)  
 Step 2: \$150,000 ÷ \$200,000 = .75  
 Step 3: \$80,000 x .75 = \$60,000

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

**Example No. 2 (Adequate Insurance):**

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$ 400,000  
 The Coinsurance percentage is 50%  
 The Limit of Insurance is \$ 200,000  
 The amount of loss is \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 (\$400,000 x 50%). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to the Extra Expense Additional Coverage.

**F. Optional Coverages**

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

**1. Maximum Period Of Indemnity**

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

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(1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or

(2) The Limit of Insurance shown in the Declarations.

**2. Monthly Limit Of Indemnity**

- The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - The Limit of Insurance, multiplied by
  - The fraction shown in the Declarations for this Optional Coverage.

**Example:**

When: The Limit of Insurance is \$ 120,000

The fraction shown in the Declarations for this Optional Coverage is 1/4

The most we will pay for loss in each period of 30 consecutive days is:

\$120,000 x 1/4 = \$30,000

If, in this example, the actual amount of loss is:

Days 1-30	\$ 40,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$ 90,000

We will pay:

Days 1-30	\$ 30,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$ 80,000

The remaining \$10,000 is not covered.

**3. Business Income Agreed Value**

- To activate this Optional Coverage:
  - A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
    - During the 12 months prior to the date of the Work Sheet; and
    - Estimated for the 12 months immediately following the inception of this Optional Coverage.
  - The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
    - The Coinsurance percentage shown in the Declarations; multiplied by
    - The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- The Additional Condition, Coinsurance, is suspended until:
  - 12 months after the effective date of this Optional Coverage; or

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- (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agree Value:
  - (1) Within 12 months of the effective date of this Optional Coverage; or
  - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
  - (1) The Business Income Limit of Insurance; divided by
  - (2) The Agreed Value.

**Example:**

When:	The Limit of Insurance
	is \$ 100,000
	The Agreed Value is \$ 200,000
	The amount of loss is \$ 80,000
Step (a):	\$100,000 ÷ \$200,000 = .50
Step (b):	.50 x \$80,000 = \$40,000

We will pay \$40,000. The remaining \$40,000 is not covered.

#### 4. Extended Period Of Indemnity

Under Paragraph A.3.d., Extended Business Income, the number "30" in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

#### G. Definitions

- 1. "Finished Stock" means stock you have manufactured.  
"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.  
"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.
- 2. "Operations" means:
  - a. Your business activities occurring at the described premises; and
  - b. The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.
- 3. "Period of Restoration" means the period of time that:
  - a. Begins:
    - (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or
    - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or

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(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

5. "Rental Value" means the:

- Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, and
- Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations, and
- Fair rental value of any portion of the described premises which is occupied by you.

6. "Suspension" means:

- The slowdown or cessation of your business activities; or
- That a part or all of the described premises is rendered untenable, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

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COMMERCIAL PROPERTY  
CP 10 30 10 00

## CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. – Definitions.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations;

that follow.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

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All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in Paragraph B.4.a.(1) applies to these coverages.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if Water, as described in g.(1) through g.(4) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

Exclusions B.1.a. through B.1.g. apply whether or not the loss event results in widespread damage or affects a substantial area.

**2. We will not pay for loss or damage caused by or resulting from any of the following:**

- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.

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- d. (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.

- h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1) Acting alone or in collusion with others; or
  - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, except as provided below in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.
- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This Exclusion, I., does not apply to damage to glass caused by chemicals applied to the glass.

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- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
  - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance;
      - of part or all of any property on or off the described premises.

**4. Special Exclusions**

The following provisions apply only to the specified Coverage Forms.

**a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form**

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building.  
But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.
- (2) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".  
This exclusion does not apply to Extra Expense.
- (3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (4) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (6) Any other consequential loss.

**b. Leasehold Interest Coverage Form**

- (1) Paragraph B.1.a. Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
  - (a) Your cancelling the lease;

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- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

**c. Legal Liability Coverage Form**

- (1) The following exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph B.1.a., Ordinance Or Law;
- (b) Paragraph B.1.c., Governmental Action;
- (c) Paragraph B.1.d., Nuclear Hazard;
- (d) Paragraph B.1.e., Utility Services; and
- (e) Paragraph B.1.f., War And Military Action.

- (2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

**(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**C. Limitations**

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

- 1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

- (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

- (2) Business Income coverage or Extra Expense coverage.

- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

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- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- 2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
  - a. Valuable papers and records, such as books of account, manuscripts, abstracts, drawings and card index systems, including those which exist on film, tape, disc, drum, cell or other data processing, recording or storage media. Valuable papers and records do not include prepackaged software programs.
  - b. Animals, and then only if they are killed or their destruction is made necessary.
  - c. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - (1) Glass; or
    - (2) Containers of property held for sale.
  - d. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.  
However, this limitation does not apply:
    - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
    - (2) To Business Income coverage or to Extra Expense coverage.
- 3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
  - a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.  
This limitation, C.3., does not apply to Business Income coverage or to Extra Expense coverage.
- 4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
  - a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.

#### D. Additional Coverage – Collapse

The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in D.1. through D.5. below.

1. With respect to buildings:
  - a. Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
  - b. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
  - c. A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;



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- d. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 2. We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if the collapse is caused by one or more of the following:
  - a. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
  - b. Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - d. Weight of people or personal property;
  - e. Weight of rain that collects on a roof;
  - f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in 2.a. through 2.e., we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

The criteria set forth in 1.a. through 1.d. do not limit the coverage otherwise provided under this Causes of Loss Form for the causes of loss listed in 2.a., 2.d. and 2.e.

3. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

If the collapse is caused by a cause of loss listed in 2.b. through 2.f., we will pay for loss or damage to that property only if:

- a. Such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and
- b. The property is Covered Property under this Coverage Form.

4. If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- a. The collapse was caused by a Cause of Loss listed in 2.a. through 2.f. above;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in 3. above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 4. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

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Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

5. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

#### **E. Additional Coverage Extensions**

##### **1. Property In Transit**

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

##### **2. Water Damage, Other Liquids, Powder Or Molten Material Damage**

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

##### **3. Glass**

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, E.3., does not increase the Limit of Insurance.

#### **F. Definitions**

"Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

1. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
  - a. The cost of filling sinkholes; or
  - b. Sinking or collapse of land into man-made underground cavities.
2. Falling objects does not include loss or damage to:
  - a. Personal property in the open; or
  - b. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
3. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam..

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COMMERCIAL PROPERTY  
CP 04 05 04 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
STANDARD PROPERTY POLICY

## SCHEDULE\*

Bldg. No./ Prem. No.	Cov. A	Cov. B Limit Of Insur.	Cov. C Limit Of Insur.	Cov. B And C Combined Limit Of Insur.
/	As specified herein	\$	\$	\$ As **
/	<input type="checkbox"/>	\$	\$	\$ Specified **
/	<input type="checkbox"/>	\$	\$	\$ Herein **

\*Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

\*\*Do not enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

**A. Each Coverage – Coverage A, Coverage B and Coverage C – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the building identified for that Coverage(s) in the Schedule.**

**B. Application Of Coverage(s)**

The Coverage(s) provided by this endorsement apply only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**

**1. The ordinance or law:**

- a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

- 2.a. The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- c. But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

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3. In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage. (Section H. of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages A, B and/or C of this endorsement.

C. We will not pay under Coverage A, B or C of this endorsement for:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

D. Coverage

1. Coverage A -- Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

2. Coverage B -- Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

3. Coverage C -- Increased Cost Of Construction Coverage

a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required; when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

b. When a building is damaged or destroyed and Coverage C applies to that building in accordance with 3.a. above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in 3.a.:

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundation of the building;
- (3) Piling; and
- (4) Underground pipes, flues and drains.

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The items listed in **b.(1)** through **b.(4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this Provision, **3.b.**

**E. Loss Payment**

1. All following loss payment Provisions, **E.2.** through **E.5.**, are subject to the apportionment procedures set forth in Section **B.3.** of this endorsement.
2. When there is a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
    - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
    - (2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
  - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
    - (1) The actual cash value of the building at the time of loss; or
    - (2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph **E.5.** applies, loss payment under Coverage **B** – Demolition Cost Coverage will be determined as follows:
 

We will not pay more than the lesser of the following:

  - a. The amount you actually spend to demolish and clear the site of the described premises; or
  - b. The applicable Limit of Insurance shown for Coverage **B** in the Schedule above.
4. Unless Paragraph **E.5.** applies, loss payment under Coverage **C** – Increased Cost of Construction Coverage will be determined as follows:
  - a. We will not pay under Coverage **C**:
    - (1) Until the property is actually repaired or replaced, at the same or another premises; and
    - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage **C** is the lesser of:
    - (1) The increased cost of construction at the same premises; or
    - (2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule above.
  - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:
    - (1) The increased cost of construction at the new premises; or
    - (2) The applicable Limit of Insurance shown for Coverage **C** in the Schedule above.
5. If a Combined Limit of Insurance is shown for Coverages **B** and **C** in the Schedule above, Paragraphs **E.3.** and **E.4.** of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:
 

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit of Insurance shown for Coverages **B** and **C** in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

  - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
  - b. With respect to the Increased Cost of Construction:
    - (1) We will not pay for the increased cost of construction:
      - (a) Until the property is actually repaired or replaced, at the same or another premises; and

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- (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
- (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

F. The terms of this endorsement apply separately to each building to which this endorsement applies.

G. Under this endorsement we will not pay for loss due to any ordinance or law that:

- 1. You were required to comply with before the loss, even if the building was undamaged; and
- 2. You failed to comply with.

H. Example of Proportionate Loss Payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement.)

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage C of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages A and B of this endorsement.

I. The following definition is added:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

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CP 01 40 07 06

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

- A. The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.  
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C. With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to "pollutants".
- D. The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  2. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E. The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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CP 04 17 06 95

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**UTILITY SERVICES – DIRECT DAMAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 BUILDERS' RISK COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 STANDARD PROPERTY POLICY  
 TOBACCO SALES WAREHOUSES COVERAGE FORM

		SCHEDULE*			
		Communication Supply (not including overhead transmission lines)	Communication Supply (including overhead transmission lines)	Power Supply (not including overhead transmission lines)	Power Supply (including overhead transmission lines)
Water Supply		X	X	X	X
Prem. No.	Bldg. No.	Covered Property As specified herein		Utility Services Limit of Insurance as specified herein	Causes of Loss Form Special

A. We will pay for loss of or damage to Covered Property described in the Schedule, caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property, not on the described premises, if indicated by an "X" in the Schedule:

1. **Water Supply Services**, meaning the following types of property supplying water to the described premises:
  - a. Pumping stations; and
  - b. Water mains.
- \* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.
2. **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
  - a. Communication transmission lines, including optic fiber transmission lines;
  - b. Coaxial cables; and
  - c. Microwave radio relays except satellites.
 It does not include overhead transmission lines unless indicated by an "X" in the Schedule.
3. **Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises:
  - a. Utility generating plants;
  - b. Switching stations;

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- c. Substations;
- d. Transformers; and
- e. Transmission lines.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

B. If a Utility Services Limit of Insurance is shown in the Schedule, such limit is part of, not in addition to, the Limit of Insurance stated in the Declarations or in the Separation of Coverage endorsement as applicable to the Covered Property.

If no Limit of Insurance is shown for Utility Services, coverage under this endorsement is subject to the applicable Limit of Insurance on the Covered Property as shown in the Declarations or in the Separation of Coverage endorsement. But this Utility Services endorsement does not increase the applicable Limit of Insurance.

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COMMERCIAL PROPERTY  
CP 15 45 06 95**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****UTILITY SERVICES – TIME ELEMENT**

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM  
EXTRA EXPENSE COVERAGE FORM

SCHEDULE*				
Water Supply Property	Communication Supply Property (not including overhead transmission lines)	Communication Supply Property (including overhead transmission lines)	Power Supply Property (not including overhead transmission lines)	Power Supply Property (including overhead transmission lines)
X		X		X
Prem. No.	Bldg. No.	Causes of Loss Form Applicable Special	Limit of Insurance As specified herein	

A. We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described in paragraph B, if such property is indicated by an "X" in the Schedule and is located outside of a covered building described in the Declarations.

B. Utility Services

1. Water Supply Services, meaning the following types of property supplying water to the described premises:
  - a. Pumping stations; and
  - b. Water mains.
2. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
  - a. Communication transmission lines, including optic fiber transmission lines;
  - b. Coaxial cables; and
  - c. Microwave radio relays except satellites.
 It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

3. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

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- a. Utility generating plants;
- b. Switching stations;
- c. Substations;
- d. Transformers; and
- e. Transmission lines.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.

**C.** The COINSURANCE Additional Condition does not apply to this endorsement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## OUTSIDE SIGNS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 STANDARD PROPERTY POLICY

## SCHEDULE\*

		Construction Of Sign		Limit Of Insurance	Causes Of Loss Form Applicable	Coinsurance Percentage	Additional Premium
Prem.	Bldg. No.	Entirely Metal	Other				
Covers attached and unattached signs to a covered building / location up to a limit of USD 25,000 per Occurrence, unless an Additional per Occurrence Limit is specified in the Declarations. Causes of Loss Form to apply is Special Form.							

\*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

With respect to outside signs described in the Schedule:

- A. "Signs (other than signs attached to buildings)" is deleted from **Property Not Covered**.
- B. In the **Limits Of Insurance** section, the provision which pertains to signs attached to buildings does not apply. The limit applicable to each sign is shown in the Schedule.
- C. Outside signs are subject to all applicable provisions of the **Causes Of Loss Form** indicated in the Schedule. In addition, we will not pay for loss or damage caused by or resulting from any of the following:
  1. Dampness or dryness of atmosphere;
  2. Changes in or extremes of temperature;
  3. Marring or scratching; or
  4. Rain, snow, ice or sleet.

However, if the sign is attached to the building and is covered under the **Causes Of Loss – Special Form**, then Exclusions C.1. through C.4. do not apply.

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CP 14 30 10 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## OUTDOOR TREES, SHRUBS AND PLANTS

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM  
 BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 STANDARD PROPERTY POLICY

## SCHEDULE\*

Prem. No.	Bldg. No.	Limit Of Insurance				Causes Of Loss Form Applicable	Vehicle Exclusion	Additional Premium
		Each Tree	Each Shrub	Each Plant	All Items			
As specified herein.	As specified herein	As specified herein	As specified herein	As specified herein	As specified herein	Special		Included within the premium

\*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

A. The following is added to **Covered Property**:

Outdoor trees, shrubs and plants at locations described in the Schedule.

B. The following is deleted from **Property Not Covered**:

"Trees, shrubs or plants"

## C. The most we will pay for loss or damage to covered trees, shrubs and plants in any one occurrence is the Limit of Insurance for All Items, subject to the separate limit applicable to Each Tree, Shrub or Plant, shown in the Schedule.

## D. Outdoor trees, shrubs and plants are subject to all applicable provisions of the Causes Of Loss Form indicated in the Schedule, as well as to the following exclusions:

We will not pay for loss or damage to outdoor trees, shrubs or plants, caused by or resulting from any of the following:

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1. Dampness or dryness of atmosphere;
2. Changes in or extremes of temperature; or
3. Rain, snow, ice or sleet.

E. If the Vehicle Exclusion option is designated in the Schedule by an "X", we will not pay for loss or damage caused by vehicles to outdoor trees, shrubs or plants.

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COMMERCIAL PROPERTY  
CP 04 40 08 02**SPOILAGE COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM**SCHEDULE\***

Prem. No.	Bldg. No.	Description Of Property	Limit Of Insurance	Deductible	Causes Of Loss:			
					Refrigeration Maintenance Agreement	Breakdown Or Contamination	Power Outage	Selling Price
		Property as specified herein. Limits as specified herein. Breakdown or Contamination cover to apply. Power Outage cover to apply.						

\*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

The Coverage Form to which this endorsement applies is extended to insure against direct physical loss or damage by the Covered Causes of Loss, but only with respect to coverage provided by this endorsement.

A. Paragraph A.1. **Covered Property** is replaced by the following:1. **Covered Property**

Covered Property means "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.

B. With respect to the coverage provided by this endorsement, property located on buildings or in the open or in vehicles is considered to be Property Not Covered.

C. Paragraph A.3. **Covered Causes Of Loss** is replaced by the following:3. **Covered Causes of Loss**

Covered Causes of Loss means the following only if indicated by an "X" in the Schedule:

a. Breakdown or Contamination, meaning:

(1) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and

(2) Contamination by the refrigerant.

b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

D. **Selling Price**

If Selling price is indicated by an "X" in the Schedule, the following is added to the Valuation Loss Condition:

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We will determine the value of finished "perishable stock" in the event of loss or damage at:

1. The selling price, as if no loss or damage had occurred;
2. Less discounts and expenses you otherwise would have had.

**E. Paragraph A.5. Coverage Extensions** does not apply.

**F. Paragraph B. Exclusions** is replaced by the following:

**B. Exclusions**

1. Only the following Exclusions contained in Paragraph B.1. of the Causes of Loss Form applicable to this Coverage Part apply to Spoilage Coverage:

- a. Earth Movement;
- b. Governmental Action;
- c. Nuclear Hazard;
- d. War And Military Action; and
- e. Water.

2. The following Exclusions are added:

We will not pay for loss or damage caused by or resulting from:

- a. The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
- c. The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
  - (1) Lack of fuel; or
  - (2) Governmental order.
- d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.
- e. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

**G. Paragraph D. Deductible** is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance. No other deductible in this policy applies to the coverage provided by this endorsement.

**H. Paragraph F. Additional Conditions** is replaced by the following:

**ADDITIONAL CONDITION**

The following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

**REFRIGERATION MAINTENANCE AGREEMENTS**

If Breakdown or Contamination is designated as a Covered Cause of Loss and a refrigeration maintenance agreement is shown as applicable by an "X" in the Schedule, the following condition applies:

You must maintain a refrigeration maintenance or service agreement. If you voluntarily terminate this agreement and do not notify us, the insurance provided by this endorsement will be automatically suspended at the involved location.

**I. Paragraph G. Optional Coverages** does not apply.

**J. The following is added to the Definitions:**

**"Perishable Stock"** means personal property:

- a. Maintained under controlled conditions for its preservation; and
- b. Susceptible to loss or damage if the controlled conditions change.

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COMMERCIAL PROPERTY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CIMICIDAE INFESTATION (BED BUGS) ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS – SPECIAL FORM

The following is added to Section A.4. Additional Coverages in the Building and Personal Property Coverage Form:

**Bed Bugs Reimbursement**

- A. We will reimburse you for the following costs incurred because of an infestation of Cimicidae (bed bugs) to Covered Property at the premises described in the Declarations. These costs include:
  - 1. hiring a licensed professional exterminator to treat the infested area;
  - 2. sealing off and treating adjoining areas to ensure infestation does not spread during treatment;
  - 3. properly disposing of infested property, when necessary; and
  - 4. replace your Business Personal Property that has been infested by Cimicidae (bed bugs), but only after your premises has been completely eradicated of the infestation by a licensed professional exterminator.

However, we will not pay the costs you incur to exterminate your premises as part of your routine or ongoing maintenance of your premises.

- B. To the extent that coverage is provided in this Endorsement, exclusion 2.d.(5) in Section B. Exclusions in the Causes of Loss – Special Form does not apply.
- C. The most we will pay for this Additional Coverage during any one policy year or for any one occurrence of Cimicidae (bed bugs) infestation is \$ 5,000.

ALL OTHER POLICY TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

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**COVERAGES AND EXTENSIONS SCHEDULE**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This schedule modifies insurance provided under the following:  
 BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CAUSES OF LOSS-SPECIAL FORM

The SPECIAL COVERAGES AND EXTENSIONS provided by this endorsement are added to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM. These SPECIAL COVERAGES AND EXTENSIONS are subject to all of the terms, deductibles, exclusions and conditions applicable to this policy, except where otherwise provided herein:

***I. SPECIAL COVERAGES AND EXTENSIONS SCHEDULE***

COVERAGES AND/OR EXTENSIONS	LIMIT OF INSURANCE	
FORGERY OR ALTERATION	\$ 25,000.	Increased to \$
LOCK AND KEY REPLACEMENT	\$ 5,000.	Increased to \$
MONEY & SECURITIES COVERAGE	\$ 10,000.	Increased to \$
EMPLOYEE DISHONESTY	\$10,000.	Increased to \$
FIRE DEPARTMENT SERVICE CHARGE- including ACCIDENTAL DISCHARGE OF FIRE EXTINGUISHING MATERIALS	\$ 5,000.	Increased to \$
PERSONAL EFFECTS AND PROPERTY OF OTHERS	\$ 10,000	at each described premises. Increased to \$
OUTDOOR PROPERTY	\$ 10,000	Any one Occurrence
BACK UP OF SEWERS AND DRAINS	\$ 25,000	Any one Occurrence

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## **SPECIAL COVERAGES AND EXTENSIONS ENDORSEMENT**

### **I SPECIAL COVERAGES**

THE FOLLOWING COVERAGE'S ARE ADDED:

#### **A. FORGERY OR ALTERATION COVERAGE**

1. You may extend the insurance provided by the Building and Personal Property Coverage Form to apply to loss resulting from forgery or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in money that are:
  - a. Made or drawn upon you; or
  - b. Made or drawn by once acting as your agent, or that are purported to have been so made or drawn.
2. If you are sued for refusing to pay any instrument covered in Paragraph 1. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.
3. We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.
4. For the purpose of this coverage, check includes a substitute as defined in the Check Clearing for the 21<sup>st</sup> Century Act, and will be treated the same as the original it replaced.
5. The most we pay for any loss in any one occurrence, including legal expenses is USD25,000 unless an Increased Limit of Insurance is shown in the SPECIAL COVERGAEES AND EXTENSION SCHEDULE of this endorsement. No deductible is applicable to this extension.

#### **B. LOCK AND KEY REPLACEMENT**

We will pay for replacement of premises locks or keys caused by the theft of keys from your premises.

The most we will pay for loss under this coverage is USD 5,000

Each Loss for lock replacement covered by this coverage is subject to a USD 50 per occurrence deductible. In order to qualify for this coverage the locking mechanism must sustain physical damage loss from a covered loss.

#### **C. "MONEY AND SECURITIES' COVERAGE**

1. We will pay for theft, disappearance, or destruction of "Money and Securities" you use in your business as shown by your records.
2. We will not pay for any loss caused by or resulting from accounting or arithmetical errors or omissions; dishonest or criminal acts of employees, directors, trustees or representative; the giving or surrendering of money or checks in exchange of purchases, or damage resulting from fire, however caused.
3. The most we will pay for all loss caused by, or involving, one or more persons, whether the result of a single act or series of acts is \$ 10,000, unless an Increased Limit of Insurance is shown in the SPECIAL COVERGAEES AND EXTENSION SCHEDULE of this endorsement.
4. Coverage A. item 2 Paragraph a. PROPERTY NOT COVERED, of the Building and Personal Property Coverage Form is revised as follows:

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- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities; except as provided in this SPECIAL COVERAGES AND EXTENSION ENDORSEMENT.

**D. EMPLOYEE DISHONESTY**

We cover for loss of money, securities and other business personal property by dishonest or fraudulent acts of your employees subject to the following conditions:

- 1. The most we will pay for loss in any one "Occurrence" is \$10,000., unless an Increased Limit of Insurance is shown in the SPECIAL COVERAGES AND EXTENSIONS SCHEDULE of this endorsement, but not more than the replacement cost thereof at the time of loss, provided, however at your option, payment of the cost of replacing securities may be determined by the market value at the time of such settlement.
- 2. Coverage does not apply to any employee immediately upon discovery by you or any of your partners or officers of any dishonest or fraudulent act committed by that employee.
- 3. Dishonesty or fraudulent acts or a series of similar or related acts of any employees acting alone or in collusion with other during the policy period will be deemed to be one "Occurrence" for the purpose of applying the deductible and the Limit of Insurance.

**E. BACK UP OF SEWER AND DRAINS COVERAGE**

We will pay loss or damage to Covered Property described in the Commercial Property Coverage Part Supplemental Declarations, caused by Water that backs up or overflows from a sewer, drain or sump;

Exclusions B.g.(3) of the Causes of Loss - Special Form is deleted.

The most we will pay for loss or damage in any "Occurrence" for Back Up of Sewers Coverage is \$ 25,000., unless an Increased Limit of Insurance is shown in the SPECIAL COVERAGES AND EXTENSIONS SCHEDULE of this endorsement. No deductible is applicable to this extension.

**II COVERAGE EXTENSIONS**

THE FOLLOWING COVERAGE EXTENSIONS ARE AMENDED BY THE FOLLOWING

**A. FIRE DEPARTMENT SERVICE CHARGE**

Coverage A., item 4.c. of the Building and Personal Property Coverage Form is deleted and replaced with the following:

- C. Fire Department Service Charge and Fire Extinguishing materials.

We will pay the cost of:

- (1) Fire Department Service charges; and
- (2) Foam solutions, dry chemical, halon or other fire extinguishing materials, which have been lost, expanded, damaged or destroyed when caused by or resulting from a Covered Cause of Loss.

The most we will pay in any one "Occurrence" is \$ 5,000, unless an Increased Limit of Insurance is shown in the SPECIAL COVERAGES AND EXTENSIONS SCHEDULE of this endorsement. No deductible applies to this Coverage Extension.

**III ADDITIONAL EXTENSIONS**

The Building and Personal Property Coverage Form, Item 5. Coverage Extension is revised to expand limits as follows:

- A. Paragraph b., PERSONAL EFFECTS AND PROPERTY OF OTHERS:-

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The most we will pay for loss or damage under this Extension is \$ 10,000 at each described premises, unless an increased Limit of Insurance is shown in the SPECIAL COVERAGES AND EXTENSIONS SCHEDULE of this endorsement. Our payment for loss or damage to personal property of others will only be for the account of the owner of the property.

B. Paragraph e., OUTDOOR PROPERTY, as respects your outdoor fences, radio and television antennas (including satellite dishes), is amended as follows:

You may extend the insurance provided by the Building and Personal Property Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), including debris removal expense, caused by or resulting from any of Covered Causes of Loss:

The most we will pay for loss or damage under this Extension is \$10,000. This limit applies to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

**IV COMMERCIAL PROPERTY CONDITIONS, G. OTHER INSURANCE**, is revised as follows for this endorsement only.

You may have other insurance subject to the same plan, terms, conditions, and provisions as the Special Coverage Insurance provided under this endorsement. If you do, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**V ADDITIONAL DEFINITIONS**

A. "Money" means:

1. Currency, coins and bank notes in current use and having a face value; and
2. Travelers checks, register checks and money order held for sale to the public.

B. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

1. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
2. Evidence of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".

C. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packaging or shipping.

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COMMERCIAL PROPERTY  
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## COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

### A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

### B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

### D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

### E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

### F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

### G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

### H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.

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2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

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COMMERCIAL PROPERTY  
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## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

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1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

**F. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NAMED WINDSTORM OR NAMED STORM IN  
FLORIDA AND TIERS 1 AND 2 IN ALL OTHER STATES  
EXCLUSION**

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS – SPECIAL FORM  
STANDARD PROPERTY POLICY

The following is added to the EXCLUSIONS section and is therefore not a Covered Cause of Loss:

**NAMED WINDSTORM OR NAMED STORM**

We will not pay for loss or damage:

Caused directly or indirectly by Named Windstorm or Named Storm, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

□

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## **ADDITIONAL CLAUSES, ENDORSEMENTS AND EXCLUSIONS**

Notwithstanding anything contained herein to the contrary, it is hereby understood and agreed that the following clauses, definitions, exclusions and endorsements apply to this insurance.

### **NAMED WINDSTORM OR NAMED STORM DEFINITION**

The term "Named Windstorm" or "Named Storm" shall include but not be limited to, storm, cyclone, typhoon, atmospheric disturbance, depression or other weather phenomena designated by the US national Hurricane Center and where a name has been applied.

A storm is named when it reaches tropical storm strength with winds of 39 mph and becomes a hurricane or typhoon when its wind speed reaches 74 mph.

All other terms and conditions remain unaltered.

### **Radioactive Contamination Exclusion Clause - Physical Damage - Direct (U.S.A.) - NMA1191**

This Policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused \* **Nevertheless** if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this Policy) be covered **Excluding** however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

\* **Note.** - If Fire is not an insured peril under this Policy the words "**Nevertheless**" to the end of the clause do not apply and should be disregarded.

### **War and Civil War Exclusion Clause – NMA 464**

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

### **Terrorism Exclusion Endorsement – NMA 2920**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

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This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

**U.S. Terrorism Risk Insurance Act of 2002 as amended**  
**Not Purchased Clause**

*This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.*

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this insurance.

LMA5092

21/12/2007

Form approved by Lloyd's Market Association

**Biological or Chemical Materials Exclusion – NMA 2962**

It is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

**Additional Limitations and Conditions Endorsement (Standard) - NMA2415**

*This Endorsement contains provisions in clauses ii, v and vi that may limit or prevent recovery under this Policy for debris removal (as provided in clause ii) and/or resulting loss (as provided in clause v).*

**I. Land, Water and Air Exclusion Clause**

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein. The foregoing exclusion shall not apply to water, which is contained in plumbing or firefighting installations in the Assured's buildings at the time of any damage insured by this Policy.

**II. Debris Removal Clause**

Nothing contained in this Clause shall override any seepage and/or pollution and/or contamination exclusion or any radioactive contamination exclusion or any other exclusion applicable to this Policy. The

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inclusion of this Clause shall in no event increase the limit of liability of Underwriters under this Policy or any other endorsement applicable to this Policy.

Any provision within this Policy (or within any other Endorsement which forms part of this Policy) which insures debris removal is cancelled and replaced by the following:

1. In the event of direct physical damage to property, for which Underwriters agree to pay hereunder, or which but for the application of a deductible or underlying amount they would agree to pay (hereinafter in this Clause referred to as "Damage"), this Policy also insures, subject to the limitations below and method of calculation in Clause VI of this Endorsement and to all the other terms and conditions of the Policy, expense:
  - a) which is reasonably and necessarily incurred by the Assured in the removal, from the premises of the Assured at which the Damage occurred, of debris which results from the Damage; and
  - b) of which the Assured becomes aware and advises the amount to Underwriters hereon within one year of the commencement of the Damage;

provided, however, that nothing in this Clause shall insure any expense provided under Clause V of this Endorsement.

2. The maximum amount of expense for removal of debris (subject to the limitations of paragraph 1 above) that can be included in the method of calculation in Clause VI of this Endorsement, shall be the greater of US\$25,000 (twenty-five thousand dollars) or 10% (ten percent) of the amount of the Damage from which such expense results.

### **III. Seepage and/or Pollution and/or Contamination Exclusion Clause**

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

1. any loss, damage, cost or expense; or
2. any increase in insured loss, damage, cost or expense; or
3. any loss, damage, cost, expense, fine, penalty or other sum which is incurred, sustained or imposed by, or by the threat of, any judgment, order, direction, instruction or request of, or any agreement with, any court, government agency, any public, civil or military authority or any other person (and whether or not as a result of public or private litigation); which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination, or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

1. seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other law, ordinance or regulation; and
2. the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

### **IV. Listed Perils Resulting from Seepage and/or Pollution and/or Contamination Clause**

This Policy is amended as set forth below. All other terms and conditions of this Policy remain unchanged and continue to apply with full force and effect. Nothing contained in this Clause shall override any radioactive contamination exclusion applicable to this Policy. If any of the perils listed below results from seepage and/or pollution and /or contamination, then such resultant perils shall not be excluded solely by the foregoing Seepage and/or Pollution and/or Contamination Exclusion Clause.

**Listed perils**

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Fire,  
Explosion.

Nothing in this Clause, however, shall extend this Policy to insure:

1. loss, damage, cost, expense, fine or penalty, or other sum arising from any kind of seepage or any kind of pollution and/or contamination that causes or results from a listed peril; or
2. loss or damage at any premises other than the premises where the listed peril took place; or
3. property and/or interests other than those insured by this Policy against the listed perils.

**V. Limited Seepage and/or Pollution and/or Contamination Resulting From**

***Physical Damage caused by Listed Perils Clause***

***This Clause is void and of no force or effect unless an amount is specified in Paragraph 2 Below.***  
This Policy is amended as set forth below. All other terms and conditions of this Policy remain unchanged and continue to apply with full force and effect. Nothing contained in this Clause shall override any radioactive contamination exclusion or, except as set forth herein, the foregoing Seepage and/or Pollution and/or Contamination Exclusion Clause. The inclusion of this Clause shall in no event increase the limit of liability of Underwriters under this Policy or any other endorsement applicable to this Policy.

1. If,
  - a) any of the perils listed below is the sole, immediate and direct cause of physical damage to property insured by this Policy against such listed peril (hereinafter in this Clause referred to as "Original Damage"); and
  - b) the Original Damage is the sole, immediate and direct cause of seepage onto, and/or pollution and/or contamination of property which is:
    - i) at the same premises as the Original Damage; and
    - ii) insured by this Policy against the listed peril causing the Original Damage; and
  - c) said property is damaged thereby (hereinafter in this Clause referred to as "Resulting Damage");

then this Policy, subject to the following additional terms and limitations and the method of calculation in Clause VI of this Endorsement, also insures:

- d) the Resulting Damage; and
- e) the reasonable and necessary expense incurred by the Assured for debris removal and/or clean-up which is:
  - i) limited to the same premises as the Original Damage; and
  - ii) made necessary solely by the Resulting Damage;

but which shall in no event include any expense of clean-up or removal of land, water or air,

(which Resulting Damage and expense of debris removal and/or clean-up, hereinafter in this Clause are referred to as "Resulting Loss");

provided, however, that this Policy only insures the Resulting Loss where:

- f) Underwriters have agreed to pay for the Original Damage or, but for the operation of a deductible or underlying amount, would have agreed to pay for the Original Damage; and
- g) within one year of the commencement of the listed peril which caused the Original Damage, the Assured became aware and advised Underwriters of the amount of:
  - i) the Resulting Loss; and
  - ii) any other interest to be claimed under this Policy as a result of the Resulting Damage, whether physical damage, business interruption, extra expense or otherwise.

**Listed Perils**

Fire,

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Lightning,  
Explosion.

Nothing in this Clause, however, shall extend this Policy to cover any condition that existed prior to the Original Damage nor to insure any loss, damage, cost, expense, fine, penalty, or other sum which is incurred, sustained or imposed by, or by the threat of, any judgment, order, direction, instruction or request of, or any agreement with, any court, government agency, any public, civil or military authority or any other person (and whether or not as a result of public or private litigation) in connection with any kind of seepage or any kind of pollution and/or contamination from any cause.

2. The maximum amount for any Resulting Loss and any other interest claimed under this Policy as a result of the Resulting Damage, whether physical damage, business interruption, extra expense or otherwise, that can be included in the method of calculation in Clause VI of this Endorsement is Nil.

#### **VI. Method of Calculation**

In calculating the amount, if any, payable under this Policy for a claim including expense of debris removal (as provided for and limited in Clause II of this Endorsement) and/or Resulting Loss (as provided for and limited in Clause V of this Endorsement), the amount of such expense of debris removal and/or such Resulting Loss shall be added to:

- a) the amount of the Damage (as defined in Clause II) or the amount of the Original Damage (as defined in Clause V); and
- b) all other amounts, if any, insured under this Policy as a result of the same occurrence that Underwriters hereon agree to pay or, but for the application of a deductible or underlying amount, they would agree to pay;

then the resulting sum shall be the amount to which first all deductibles and then any underlying amounts to which this Policy is subject shall be applied and the balance, if any, shall be the amount payable, subject to all other provisions of this Policy and to the applicable limit(s), sub-limit(s) and aggregate limit(s).

#### **Electronic Data Endorsement B - NMA2915**

##### **1. Electronic Data Exclusion**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

- (a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- (b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

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**Listed Perils**

Fire  
Explosion

**2. Electronic Data Processing Media Valuation**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

**Microorganism Exclusion (Absolute)**

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.

14/09/2005

LMA5018

Form approved by Lloyd's Market Association

**Asbestos Endorsement – LMA 5019**

A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils:

fire; explosion; lightning; windstorm; hail; direct impact of vehicle, aircraft or vessel; riot or civil commotion, vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This coverage is subject to each of the following specific limitations:

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.
2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.

**Certificate Number: NJL440013912**

3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.
4. Insurance under this Policy in respect of asbestos shall not include any sum relating to:
  - (i) any faults in the design, manufacture or installation of the asbestos;
  - (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

B. Except as set forth in the foregoing Section A, this Policy does not insure asbestos or any sum relating thereto.

**Electronic Date Recognition Exclusion (EDRE) - NMA 2802**

This policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not; or
- b) any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

**Cancellation Clause - NMA1331**

***Notwithstanding*** anything contained in this Insurance to the contrary this Insurance may be cancelled by the Assured at any time by written notice or by surrendering of this Contract of Insurance. This Insurance may also be cancelled by or on behalf of the Underwriters by delivering to the Assured or by mailing to the Assured, by registered, certified or other first class mail, at the Assured's address as shown in this Insurance, written notice stating when, not less than thirty days thereafter, the cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and this Insurance shall terminate at the date and hour specified in such notice.

If this Insurance shall be cancelled by the Assured the Underwriters shall retain the customary short rate proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the Earned Premium hereon or the customary short rate proportion of any Minimum Premium stipulated herein whichever is the greater.

If this Insurance shall be cancelled by or on behalf of the Underwriters the Underwriters shall retain the pro rata proportion of the premium hereon, except that if this Insurance is on an adjustable basis the Underwriters shall receive the Earned Premium hereon or the pro rata proportion of any Minimum Premium stipulated herein whichever is the greater.

Payment or tender of any Unearned Premium by the Underwriters shall not be a condition precedent to the effectiveness of Cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of

Certificate Number: NJL440013912

limitation permitted by such law.

**New Short Rate Cancellation Table Endorsement (U.S.A.)**

In consideration of the premium for which this Insurance is written it is agreed that in the event of cancellation thereof by the Assured the Earned Premium shall be computed as follows:-

**SHORT RATE CANCELLATION TABLE**

A. For insurances written for one year:-

Days Insurance in Force	Per cent. of One Year Premium	Days Insurance in Force	Per cent. of One Year Premium
1 .....	5	154 - 156	53
2 .....	6	157 - 160	54
3 - 4 .....	7	161 - 164	55
5 - 6 .....	8	165 - 167	56
7 - 8 .....	9	168 - 171	57
9 - 10 .....	10	172 - 175	58
11 - 12 .....	11	176 - 178	59
13 - 14 .....	12	179 - 182	(6 months) 60
15 - 16 .....	13	183 - 187	61
17 - 18 .....	14	188 - 191	62
19 - 20 .....	15	192 - 196	63
21 - 22 .....	16	197 - 200	64
23 - 25 .....	17	201 - 205	65
26 - 29 .....	18	206 - 209	66
30 - 32 (1 month) .....	19	210 - 214	(7 months) 67
33 - 36 .....	20	215 - 218	68
37 - 40 .....	21	219 - 223	69
41 - 43 .....	22	224 - 228	70
44 - 47 .....	23	229 - 232	71
48 - 51 .....	24	233 - 237	72
52 - 54 .....	25	238 - 241	73
55 - 58 .....	26	242 - 246	(8 months) 74
59 - 62 (2 months) .....	27	247 - 250	75
63 - 65 .....	28	251 - 255	76
66 - 69 .....	29	256 - 260	77
70 - 73 .....	30	261 - 264	78
74 - 76 .....	31	265 - 269	79
77 - 80 .....	32	270 - 273	(9 months) 80
81 - 83 .....	33	274 - 278	81
84 - 87 .....	34	279 - 282	82
88 - 91 (3 months) .....	35	283 - 287	83
92 - 94 .....	36	288 - 291	84
95 - 98 .....	37	292 - 296	85
99 - 102 .....	38	297 - 301	86
103 - 105 .....	39	302 - 305	(10 months) 87
106 - 109 .....	40	306 - 310	88
110 - 113 .....	41	311 - 314	89
114 - 116 .....	42	315 - 319	90
117 - 120 .....	43	320 - 323	91
121 - 124 (4 months) .....	44	324 - 328	92
125 - 127 .....	45	329 - 332	93
128 - 131 .....	46	333 - 337	(11 months) 94
132 - 135 .....	47	338 - 342	95

**Certificate Number: NJL440013912**

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period of June 1<sup>st</sup> to November 30<sup>th</sup>, the rate will be calculated as 100% of the annual rate less the unearned premium factor as calculated in No. 1 above the number of days remaining in the policy term.

3. The provisions of this endorsement replace any short rate provisions stipulated in this policy for all locations that are within 100 miles of the Atlantic Ocean and/or the Gulf of Mexico and/or the Hawaiian Islands, and coverage existed any time during the period of June 1<sup>st</sup> to November 30<sup>th</sup>.
4. Nothing herein will act to provide coverage outside the automatic acquisition clause, if any, that is located elsewhere in the policy.

All other terms and conditions remain unchanged.

**Service of Suit Clause (U.S.A.) applicable to Lloyd's Underwriters**

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance (or reinsurance).

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon the nominee set forth in the Risk Details herein and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

14/09/2005  
LMA5020  
Form approved by Lloyd's Market Association

Certificate Number: NJL440013912

**CLAUSES APPLICABLE TO IRONSHORE INSURANCE LTD**

It is hereby understood and agreed that the Service of Suit Clause LMA 5020 does not apply to Ironshore Insurance Ltd.

**Arbitration and Choice of Law Clause applicable to Ironshore Insurance Ltd**

**Arbitration**

Any dispute, controversy or claim arising out of or relating to this Policy or the breach, termination or invalidity thereof shall be finally and fully determined in London, England under the provisions of the Arbitration Act 1996 ("Act") and/or any statutory modifications or amendments thereto, for the time being in force, by a Board composed of three arbitrators. Each arbitrator shall be an active Queens Counsel or retired English judge familiar with insurance and with the Act. All matters relating to the existence of the agreement to arbitrate and the selection of arbitrators shall be determined under the laws of England and Wales. The arbitrator shall be selected for each controversy as follows:

Any party may, in the event of such a dispute, controversy or claim, notify the other party or parties to such dispute, controversy or claim of its desire to arbitrate the matter, and at the time of such notification the party desiring arbitration shall notify any other party or parties of the name of the arbitrator selected by it. The other party who has been so notified shall within thirty (30) calendar days thereafter select an arbitrator and notify the party desiring arbitration of the name of such second arbitrator. If the party notified of a desire for arbitration shall fail or refuse to nominate the second arbitrator within thirty (30) calendar days following the receipt of such notification, the party who first served notice of a desire to arbitrate will, within an additional period of thirty (30) calendar days, apply to a judge of the High Court of Justice of England and Wales for the appointment of a second arbitrator and in such a case the arbitrator appointed by such a judge shall be deemed to have been nominated by the party or parties who failed to select the second arbitrator. The two arbitrators, chosen as above provided, shall within thirty (30) calendar days after the appointment of the second arbitrator choose a third arbitrator, who shall be the chairman. In the event of the failure of the first two arbitrators to agree on a third arbitrator within said thirty (30) calendar day period, either of the parties may within a period of thirty (30) calendar days thereafter, after notice to the other party or parties, apply to a judge of the High Court of Justice of England and Wales for the appointment of a third arbitrator, and in such case the person so appointed shall be deemed and shall act as the third arbitrator and chairman. Upon acceptance of the appointment by said third arbitrator, the Board of Arbitration for the controversy in question shall be deemed fixed.

The Board of Arbitration shall fix, by a notice in writing to the parties involved, a reasonable time and place for the hearing and may prescribe reasonable rules and regulations governing the course and conduct of the arbitration proceeding, including without limitation discovery by the parties.

The Board shall, within ninety (90) calendar days following the conclusion of the hearing, render its award as respects the matter or matters in controversy in writing and shall cause a copy thereof to be served on all the parties thereto, but the Board shall not set forth any reasons for its award. In case the Board fails to reach a unanimous decision, the decision of the majority of the members of the Board shall be deemed to be the decision of the Board, and the same shall be final and binding on the parties thereto. Such decision shall be a complete defense to any attempted appeal or litigation of such decision in the absence of serious irregularity under Section 68 of the Act. Without limiting the foregoing, the parties waive any right to appeal to, and/or seek collateral review of the decision of the Board of Arbitration by, any court or other body to the fullest extent permitted by applicable law, including, without limitation, any right to make application to the court under Section 45 or to appeal under Section 69 of the Act.

**Certificate Number: NJL440013912**

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Any order as to the costs of the arbitration shall be in the sole discretion of the Board, who may direct to whom and by whom and in what manner they shall be paid.

Ironshore and the Insured agree that in the event that claims for indemnity or contribution are asserted in any action or proceeding against Ironshore by any of the Insured's other insurers in any jurisdiction or forum other than that set forth in this paragraph 4, the Insured will in good faith take all reasonable steps requested by Ironshore to assist Ironshore in obtaining a dismissal of these claims (other than on the merits) and will, without limitation, undertake to the court or other tribunal to reduce any judgment or award against such other insurers to the extent that the court or tribunal determines that Ironshore would have been liable to such insurers for indemnity or contribution pursuant to this Policy. The Insured shall be entitled to assert claims against Ironshore for coverage under this Policy, including, without limitation, for amounts by which the Insured reduced its judgment against such other insurers in respect of such claims for indemnity or contribution, in an arbitration between Ironshore and the Insured pursuant to this paragraph 4, which arbitration may take place before, concurrently with and/or after the action or proceeding involving such other insurers; provided, however, that Ironshore in such arbitration in respect of such reduction of any judgment shall be entitled to raise any defenses under this Policy and any other defenses (other than jurisdictional defenses) as it would have been entitled to raise in the action or proceeding with such insurers (and no determination in any such action or proceeding involving such other insurers shall have collateral estoppel, res judicata or other issue preclusion or estoppel effect against Ironshore in such arbitration, irrespective of whether or not Ironshore remained a party to such action or proceeding).

**Governing Law and Interpretation**

This Policy shall be construed in accordance with the laws of the State of New York, United States except insofar as such laws:

- A. pertain to regulation under the New York Insurance Law, or regulations issued by the Insurance Department of the State of New York pursuant thereto, applying to insurers doing insurance business, or issuance, delivery or procurement of policies of insurance, within the State of New York or as respects risks or insureds situated in the State of New York;
- B. pertain to choice of law and result in the selection of any substantive law other than New York; or
- C. are inconsistent with any of the Ironshore Terms and Conditions.

provided, however, that the provisions, stipulations, exclusions and conditions of this Policy are to be construed in an evenhanded fashion as between the Insured and Ironshore. Without limitation, where the language of this Policy is deemed to be ambiguous or otherwise unclear, the issues shall be resolved in the manner most consistent with the relevant provisions, stipulations, exclusions and conditions (without regard to authorship of the language, without reference to the reasonable expectations of one party only and without any presumption or arbitrary interpretation or construction in favor of either the Insured or Ironshore and without reference to parol or other extrinsic evidence).

IRNS-0002  
11/2007

**Office of Foreign Assets Control Notice**

Payment of loss under this policy shall only be made in full compliance with all United States economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

**Certificate Number: NJL440013912**

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IRNS-0007  
05/2010

All other terms and conditions remain unaltered.

LLOYD'S

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One Lime Street London EC3M 7HA

**LAND  STAR  
CONSTRUCTION**

P.O. Box 320875 \* Flowood, MS 39232 \* 601-259-3082

June 24, 2013

Mr. Shawn Cochran  
General Manager – Holiday Inn  
110 Bass Pro Drive  
Pearl, MS 39208

RE: Quote for Repair of Hail Damage – Holiday Inn

Mr. Cochran:

We propose to provide the following repairs to the Holiday for damage caused by hail storm:

- EIFS – remove and replace the EIFS System on the hotel.

Price: \$696,890.00.

The following is included in our price:

- All required materials, labor, and equipment (incl. scaffolding) to perform work.
- Removal of current EIFS system and dispose of all debris.
- Furnish and install new drainable EIFS system in accordance with the original construction drawings.

- 2" EPS foam, adhesively attached.
- Base coat with Standard Mesh 4.5 oz.
- EPS trim shapes as per drawings.
- Standard acrylic finish with color selection by Customer.

- Caulking as per drawings, including any additional caulk joints which may be necessary to facilitate work in sequential stages around the building (i.e. to mitigate impact due to shut-down rooms).
- All required flashing, including to tie in to first-floor stone exterior.
- Removal and replacement of exterior Holiday Inn signage.

Exclusions:

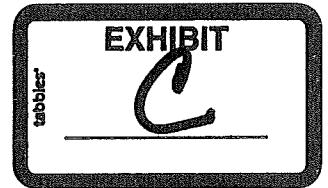
- Any gypsum board repair on interior of building.
- Removal and replacement of any damaged Densglass sheathing underneath current EIFS. If required, ADD \$62,675.00.

- Roof – remove and replace the existing roof system.

Price: \$225,029.00.

The following is included in our price:

- Remove existing EPDM roof system (incl. from parapet walls) and dispose of debris.
- Install a 60 mil fully-adhered Firestone TPO XR roof system with required flashing to 5th Floor roof areas. Install a 60-mil full-adhered Firestone TPO roof system on lower-level (1st floor) roof areas.



*(Continued)*

- Shall extend TPO XR membrane approximately 8" up building walls and terminate with new prefinished counter flashing.
- Shall extend TPO membrane on lower-level roof areas up and over canted walls and terminate with 24-gauge prefinished gravel guard.
- Install new sheet metal flashings as required.
- Reuse existing roof drains.
- Shall provide service to disconnect and reinstall all existing roof-top equipment and utilities, including HVAC units and lines, electrical lines, gas lines, satellite systems, etc.
- Furnish manufacturer's 10-yr watertight warranty. Wind uplift coverage is not included.
- 2-yr contractor's warranty included.

• **HVAC Systems** – provide repairs and replacement of damaged HVAC items:

Price: \$31,313.

The following items and services are included:

- Furnish and install one (1) condenser coil to each of the roof-top-units (RTU #1 and RTU #2) and the unit on ground floor outside the kitchen ("Kitchen Ground Unit").
- Provide recovery and reclaim of existing freon as required. Provide additional freon (R22) as required.
- Remove damaged ductwork at Kitchen Ground Unit that was exposed to hail and furnish and install new insulated duct.
- Furnish and install two (2) each 9,000 BTU condensers on damaged mini-split air units.
- Furnish and install seven (7) exhaust fan caps.
- Provide crane service for demolition and erection of new coils.

**TOTAL PRICE: \$953,232, plus tax.**

*Terms of this quotation:*

- Shall be valid for 30 days.
- Price does NOT include Bonding, which may be provided for 1.0% of bonded work.
- Price does NOT include any the cost of any municipal, state, or other permits.

Landstar Construction, LLC ("Landstar") is licensed and operates under State of Mississippi Certificate of Responsibility No. 17912-MC. Landstar shall provide evidence of liability insurance prior to commencement of work.

*Other Acknowledgements:*

Landstar assumes no responsibility or liability for any loss and/or damages caused by visible or concealed deficiencies or failures, including, but not limited to, mold, mildew or other toxins.

Any contractual duty to indemnify, defend, and hold harmless the Owner, Architect, or their agents will not include any right to indemnify where the indemnified party's negligence is a proximate cause of injury to persons or property.

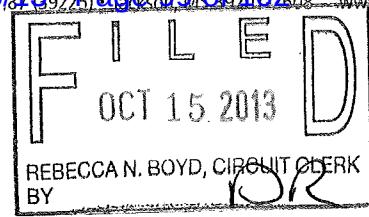
This Quotation provides for and fully describes the scope of work to be provided by Landstar Construction, LLC. Any changes to this scope shall be provided for by written AIA Change Order.

*(Continued)*

Regards



Aaron Kaehr  
Vice-President - Operations



DONALD ALAN WINDHAM, JR.  
t: (601) 965-8178  
f: (866) 830-1506  
e: awindham@balch.com

October 11, 2013

Becky Boyd, Clerk  
Rankin County Circuit Court  
P.O. Box 1599  
Brandon, MS 39083

Re: ***Trustmark Park Hotel, LLC v. Certain Underwriters at Lloyd's London  
Subscribing to Certificate Number NJL440013912; York Risk Services Group,  
Inc., et al.  
No. 2013-261, Circuit Court of Rankin County, Mississippi***

Dear Ms. Boyd:

Enclosed for filing is the original and one copy of the Proof of Service for the Summons served on Defendant York Risk Services Group, Inc. in the above-referenced matter. Please file the original Proof of Service and the copy stamped "filed" to me in the enclosed, pre-addressed, metered envelope.

If you have any questions, please feel free to contact me. Thank you for your assistance with this matter.

Sincerely,

BALCH & BINGHAM LLP

Donald Alan Windham, Jr.

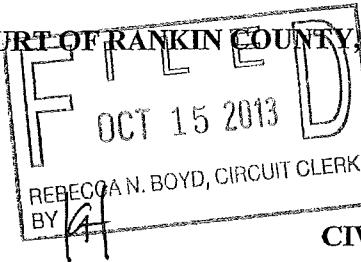
DAW: vlm

Enclosures

IN THE CIRCUIT COURT OF RANKIN COUNTY, MISSISSIPPI

TRUSTMARK PARK HOTEL, LLC

VERSUS



PLAINTIFF

CIVIL ACTION NO. 2013-261

CERTAIN UNDERWRITERS AT LLOYD'S  
LONDON SUBSCRIBING TO CERTIFICATE  
NUMBER NJL440013912; YORK RISK  
SERVICES GROUP, INC.; AND JOHN DOES  
1-10

DEFENDANTS

SUMMONS

STATE OF MISSISSIPPI

TO: York Risk Services, Group, Inc.  
99 Cherry Hill Road, Suite 102  
Parsippany, NJ 07054  
Served through its Registered Agent:  
Corporation Services Company  
506 S. President Street  
Jackson, MS 39201

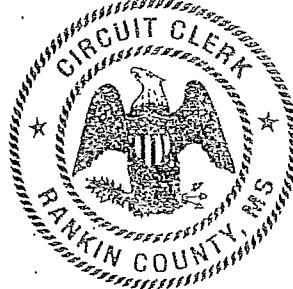
NOTICE TO DEFENDANT

THE COMPLAINT WHICH IS ATTACHED TO THIS SUMMONS IS IMPORTANT AND  
YOU MUST TAKE IMMEDIATE ACTION TO PROTECT YOUR RIGHTS.

You are required to mail or hand-deliver a copy of a written response to the Complaint to Donald Alan Windham, Jr., the attorney for the Plaintiff(s), whose post office address is PO Box 22587, Jackson, MS 39225, and whose street address is One Jackson Place, 188 East Capitol Street, Suite 1400, Jackson, MS 39201. Your response must be mailed or delivered within (30) days from the date of delivery of this summons and complaint or a judgment by default will be entered against you for the money or other things demanded in the complaint.

You must also file the original of your response with the Clerk of this Court within a reasonable time afterward.

Issued under my hand and the seal of said Court, this the 2 day of October, 2013.



Becky Boyd, Circuit Clerk  
Rankin County, Mississippi

BY:

Virginia Henderson  
Deputy Clerk

**PROOF OF SERVICE—SUMMONS & MOTIONS**  
(Process Server)

York Risk Services, Group, Inc., served through its registered agent: Corporation Services Co.  
Name of Person or Entity Served

I, the undersigned process server, served the summons and complaint, motion to confirm right to condemn and for immediate possession, and motion to consolidate upon the person or entity named above in the manner set forth below (process server must check proper space and provide all additional information that is requested and pertinent to the mode of service used):

FIRST CLASS MAIL AND ACKNOWLEDGEMENT SERVICE. By mailing (by first class mail, postage prepaid), on the date stated in the attached Notice, copies to the person served, together with copies of the form of notice and acknowledgement and return envelope, postage prepaid, addressed to the sender (Attach completed acknowledgement of receipt pursuant to M.R.C.P. Form 1B).

PERSONAL SERVICE. I personally delivered copies to Danny Perry on the 10 day of October, 2013, where I found said person(s) in Hinds County of the State of MS.

RESIDENCE SERVICE. After exercising reasonable diligence I was unable to deliver copies to said person within \_\_\_\_\_ County, Mississippi. I served the summons and complaint, motion to confirm right to condemn and for immediate possession, and motion to consolidate on the \_\_\_\_\_ day of \_\_\_\_\_, 2013, at the usual place of abode of said person by leaving a true copy of the summons and complaint, motion to confirm right to condemn and for immediate possession, and motion to consolidate with \_\_\_\_\_ who is the \_\_\_\_\_ (here insert wife, husband, son, daughter or other person as the case may be), a member of the family of the person served above the age of sixteen years and willing to receive the summons and complaint, and thereafter on the \_\_\_\_\_ day of \_\_\_\_\_, 2013, I mailed (by first class mail, postage prepaid) copies to the person served at his or her usual place of abode where the copies were left.

CERTIFIED MAIL SERVICE. By mailing to an address outside Mississippi (by first class mail, postage prepaid, requiring a return receipt) copies to the person served. (Attach signed return receipt or the return envelope marked "Refused.")

At the time of service I was at least 18 years of age and not a party to this action.  
Process server must list below: [Please print or type]

Name Omario Sutton

Address 186 E. Capitol Suite 1400

Jackson, MS 39201

Telephone No. 601-961-9900

State of Ms

County of Hinds

Personally appeared before me the undersigned authority in and for the state and county aforesaid, the within named Omarie Sulton who being first by me duly sworn states on oath that the matters and facts set forth in the foregoing "Proof of Service-Summons" are true and correct as therein stated.

Omarie Sulton  
Process Server (Signature)

Sworn to and subscribed before me this, the 10<sup>th</sup> day of October, 2013.

Monica Thompson  
Notary Public

